



2025/26 Pre-Budget Submission

Building One Canadian Economy
That Strengthens Our Communities

Recommendations

1. Prioritize the use of federal funds and lands to develop the most difficult housing to build—non-market and supportive segments of our housing system.
2. Scale up pre-fabricated and modular building technologies to accelerate the construction process and contribute significantly to the economy.
3. Prioritize climate-adaptive models, particularly in federal housing and nation-building initiatives, to ensure resilient homes and sustainable communities that protect Canadians and maximize long-term returns on federal investments.
4. Create an AI-driven national inventory of planning bylaws and permitting processes for municipalities to reduce duplication of effort, increase standardization, and accelerate approvals for innovative products and processes that deliver housing faster and better across the country.
5. Commit to a “New Deal” for municipalities to expand revenue opportunities and better align municipal revenue sources with their responsibilities for delivering housing and supporting infrastructure for healthy communities.
6. Engage planners at all stages of program design, project assessment, and implementation for federal housing and nation-building initiatives.
7. Provide funding to support planning in rural, northern, remote, and Indigenous communities that are least equipped—and often most impacted—by rapid housing development and major federal infrastructure projects.

Introduction

As the national voice for professional urban and land-use planners, the Canadian Institute of Planners (CIP) represents nearly 10,000 diverse professionals and has supported Canada's planning community since 1919. Our members work in communities of all sizes across the country, bringing critical on-the-ground expertise that shapes our regions and neighborhoods.

Now more than ever, planning matters. Planning influences where we live, how we move, how we work, how our economies grow, and the health and well-being of our cities, communities, and regions. Planners are at the forefront of the pressing challenges facing Canada, and they are the forward-thinkers who provide the ideas and solutions needed for communities to thrive.

While some may suggest there are tensions among the following recommendations—for example, between streamlining processes to accelerate timelines and setting more stringent standards for climate resilience and healthy communities—these are largely false dichotomies. Planners are uniquely equipped to design better processes and develop new tools that address bottlenecks and reduce duplication in the short term, while also establishing high standards to future-proof our communities. It is the planner's role to ensure that a broad range of objectives—affordability, livability, resiliency, and efficiency—are achieved together.



Prioritize federal funds and lands for the most difficult housing to build

Addressing the housing crisis requires a multi-faceted approach. It is not only about the number of homes, but also the types, sizes, and locations that will most effectively reduce the crisis's impact. While market-rate housing must be incentivized, there is an overwhelming need to increase the supply of non-market and supportive housing.

Canada must build 5.8 million homes over the next decade to address its housing deficit—yet the private market cannot meet the need for deeply affordable, supportive, and non-market housing. Non-market housing currently represents less than 4% of Canada's housing stock, well below the OECD and G7 averages. Doubling this to 8% is essential to ensure all Canadians—particularly those with complex needs, low incomes, or facing systemic barriers—have access to secure, stable housing. The private market will not and cannot meet this need. Immediate, coordinated federal leadership is required to increase Canada's share of non-market housing.

CIP has developed additional recommendations for addressing the housing crisis, including incentives to accelerate market housing construction, which can be found [here](#).



Scale up pre-fabricated and modular homes

Pre-fabricated and modular innovations not only speed up construction, but also improve quality control, create spinoff jobs, and help integrate climate considerations. They offer high-potential solutions for lowering design and construction costs while accelerating delivery, particularly for low- and medium-density housing forms such as multiplexes and laneway homes.

However, Canada currently lacks sufficient domestic manufacturing capacity and regulatory consistency to scale this approach. CIP recommends:

De-risking and scaling modular/pre-fabricated construction through strategic investment in domestic manufacturing and pilot projects in major urban centres.

Funding national education and industry development programs to train Canadian workers in pre-fabricated construction and support the growth of domestic supply chains.



Prioritize climate-adaptive models

Federal housing and nation-building projects should lead by example and establish minimum standards for climate-adaptive development to ensure healthier, more resilient communities for future generations. CIP recommends:

Creating a national inventory of climate data and setting reporting standards so future datasets are consistent and gaps can be identified. Provinces and territories often have richer, more localized datasets that should be collated through a national effort. More training tools should be developed to help professional planners access and apply this data. Greater access to climate data reduces risk, supports evidence-based investment, and improves consistency in planning.

Offering targeted training programs to support planner education in climate adaptation, CIP's Continuous Learning Program could be expanded in partnership with climate education organizations to deliver specialized programming for planners across career stages, with tailored modules for specific contexts (e.g., the North, rural or remote communities).

Ensuring Build Canada Homes incorporates a mandate for climate-resilient, low-carbon housing. This includes requiring consistent minimum development standards to lower long-term utility costs, reduce the need for costly retrofits, and support resilient housing in a changing climate—particularly in northern Canada. CIP can provide expertise to accelerate building timelines while embedding climate-resilient principles.



Create a national AI-driven inventory of building codes and permitting processes

To meet Canada's housing needs, we must move from a regulatory-heavy approach to one that enables construction at speed and scale. The National Building Code, in its current form, is increasingly complex, and approval timelines vary widely by municipality. Increased transparency and standardization would significantly reduce delays. CIP recommends:

Reviewing and modernizing the National Building Code to identify opportunities for affordability, efficiency, and modular compatibility without compromising safety. Publicly model the cost impacts of proposed changes for both traditional and pre-fabricated homes.

Harmonizing zoning regulations across the country where possible to facilitate the scaling of manufactured housing.

Removing federal barriers to supply by simplifying codes, environmental reviews, and duplicative regulations in coordination with provinces, territories, and municipalities. Standardizing terms of reference for studies across jurisdictions would enable planners, builders, and engineers to work more efficiently.

Creating incentives for provinces, territories, and municipalities to streamline and harmonize permitting and approvals. Reward jurisdictions that support modular, pre-approved, and factory-built housing at scale.

Developing an AI-enabled central repository of local government plans, code assessments, and zoning rules to reduce duplication of effort and accelerate approvals.

Recommendation #5



Commit to a “New Deal” for municipalities

Municipalities face growing challenges in balancing financial sustainability with the demands of population growth, aging infrastructure, and new pressures such as climate resilience and congestion. Current revenue streams—heavily reliant on property taxes and limited transfers from higher levels of government—are insufficient.

Diversifying revenue sources is critical to closing funding gaps, maintaining essential services, and supporting infrastructure investment. Sustainable revenues expand fiscal capacity, promote economic growth, and reduce regional disparities, while aligning with federal priorities under the One Canadian Economy framework. CIP recommends:

Establishing Community Prosperity Funds to help municipalities become “investment-ready” for major projects.

Expanding the Housing Accelerator Fund (HAF), prioritizing multi-family housing, and using tools such as priority approvals, concierge permitting, surplus land partnerships, and zoning incentives.

Matching infrastructure investments to housing outcomes by prioritizing funding for communities that meet housing targets and demonstrate effective streamlining efforts.

Committing to coordinated, multi-level, long-term infrastructure assessments, reassessing the impact of reducing development charges and exploring alternatives for sustainable municipal funding.

Exploring ways to expand and diversify municipal revenue tools (e.g., sales tax, income tax, congestion pricing, road user fees). Application-based transfers are unpredictable; stable, recurring revenue streams are essential for long-term planning and resilience.

Recommendation #6



Engage planners at all stages

Professional planners play a critical role in turning policy into results by bridging the gap between federal aspirations and on-the-ground implementation. By leveraging this expertise, the federal government can more effectively address the housing crisis, foster climate resilience, build critical infrastructure, and support regional economic development. CIP recommends:

Bringing planners to the table to identify barriers in the regulatory process and streamline delivery of federal programs. Appointing Registered Professional Planners (RPPs) to assist with assessments, opportunity/constraint analysis, and consultation for major nation-building projects such as energy corridors, pipelines, and transportation infrastructure.

Establishing formal intergovernmental planning platforms to coordinate urban, rural, remote, and northern planning efforts across jurisdictions. Fund regional initiatives that foster collaboration between municipalities, Indigenous communities, and provinces/territories. Planning challenges cross jurisdictional boundaries, and coordinated regional planning is essential for addressing shared markets, infrastructure, and ecosystems.

Recommendation #7



Provide funding to increase access to professional planners

Sustainable growth requires expertise in land use, housing supply and demand, and community service delivery. Many rural, northern, remote, and Indigenous communities lack access to professional planning staff, limiting their ability to participate in federal programs and meet infrastructure needs. CIP recommends:

Establishing an external planning advisory service to provide cost-efficient planning support to under-resourced communities. This could include land use planning, climate adaptation, infrastructure and service assessments, and asset management.

It could also support federal program design, implementation, and evaluation.

Creating a national youth planners corps, supported by senior mentors, to deploy emerging planners in communities across the country. This program would expand capacity while giving young planners valuable experience and ensuring communities benefit from direct staffing support.



For more information, contact:

Kristen Harrison
Director, Policy and Government Relations
policy@cip-icu.ca

401-141 Laurier Avenue, Ottawa, ON, K1P 5J3, Canada

Website: cip-icu.ca

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